TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
February 29, 2020

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Tanzanian Royalty Exploration Corporation (the "Company") should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six month period ended February 29, 2020 and February 28, 2019 and the audited consolidated financial statements for the years ended August 31, 2019 and 2018. The MD&A was prepared as of April 13, 2020. All amounts are in Canadian dollars, unless otherwise specified.

Highlights – for the year ended August 31, 2019 and six month period ended February 29, 2020

Financial:

- Subsequent to February 29, 2020, the Company received loans in the amount of US$1,212,932 in cash and gold bullion loans maturing in 1 year with a right to extend by 1 additional year by mutual consent, carrying an 8% interest rate payable quarterly. The convertible loans may be repaid in cash or common shares of the Company at the option of the lender. The convertible loan may be converted into common shares of the Company at the sole discretion of the lender at an exercise price of US$0.34 - $0.39 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US$0.34 - $0.39 per share.

- On December 18, 2019, the Company announced that it completed the sale of 6,695,652 common shares raising USD $3,850,000.

- During the three month period ended November 30, 2019, the Company received loans in the amount of $2,502,010 (US$1,886,000) with a one year term with a right to extend by 1 additional year by mutual consent, carrying an 8% interest rate payable quarterly. The convertible loans may be repaid in cash or common shares of the Company at the option of the lender. The convertible loan may be converted into common shares of the Company at the sole discretion of the lender at an exercise price of US$0.584 - US$0.598 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US$0.584 - US$0.598 per share.

- On August 13, 2019, the Company closed a public offering of 4,000,000 common shares at US$0.75 raising US $3,000,000.

- On July 1, 2019, the Company closed a registered direct offering of 1,916,379 common shares at US$0.58 per share raising US $1,111,500.

- On May 3, 2019, the Company completed the sale of 2,316,084 common shares at US $0.66 per share raising US $1,530,700 in the aggregate in a registered direct offering.

- On April 18, 2019, the Company completed the sale of 606,165 common shares at US $0.58 per share raising US $350,000 in the aggregate with three investors in a registered direct offering.

- On March 4, 2019, the Company completed the sale of 625,557 common shares at a price of US $0.45 per common share, raising an aggregate of US $281,000 in a registered direct offering.

  On January 16, 2019, the Company completed the sale of 3,924,386 common shares at a price of US $0.23 per common share, raising an aggregate of $1,172,798 (US $885,734) in a registered direct offering. Share issue costs amounted to $103,591 for net proceeds of $1,069,207.

- During the year ended August 31, 2019, the Company closed $287,800 (US $216,857) in gold loans.

  Under the terms of the loan agreements, the bullion loans are for a period of one year, are subject to renewal, and carry an 8% interest rate payable quarterly. At the sole discretion of the lender, the bullion loans may be repaid in cash or common shares of the Company or gold in specified form at the option of the lender. If the bullion loans are paid back by bullion, the valuation date for such bullion will be the date of the loan agreements. The bullion loans may be converted into common shares of the Company at the sole discretion of the lenders at an exercise price of US$0.3357 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US$0.3357 per share. There is no prepayment penalty.

  During the year ended August 31, 2019 the Company settled $130,670 (US$100,000) of principal amount of outstanding loans through the issuance of 402,077 common shares.

- During the year ended August 31, 2019, the Company received loans in the amount of $1,596,401 (US$1,230,799) with a one year term with a right to extend by one additional year by mutual consent, carrying an 8% interest rate payable quarterly. The convertible loans may be repaid in cash or common shares of the Company at the option of the lender. The convertible loan may be converted into common shares of the Company at the sole discretion of the lender at exercise prices ranging from US$0.27 to US$0.34 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at prices ranging from US$0.27 - US$0.34 per share.

  During the year ended August 31, 2019, the Company settled $2,614,343 (US$2,028,768) of principal amount of outstanding loans through the issuance of 7,387,818 common shares.

- In connection with the gold loans described in note 21 and the convertible loans, the Company paid a finder's fee via the issuance of an aggregate of 686,446 common shares with a value of $581,181. The finder's fee was allocated proportionally between the gold loans and convertible loans.

Operational:

- The Company continued processing Phase 1 & 2 Resource upgrade drilling results by updating the Buckreef database and fine tuning the geology/structure model as well as the mineralization model in preparation for the compilation of an Independent Mineral Resource Update Technical Report for the Buckreef project.

- The Company also commenced and completed Phase 1 & 2 Grade Control Reverse Circulation (RC), commenced deep drilling Diamond Coring for Underground resource extension and completed Phase 1 of sulphide ore metallurgical test-work core drilling for combined metreage of 13,744.88m (10,640m RC, 3,227.57m DD& 584.70m Met Core) during the reporting period.

- Notable drill results in the reporting period for drill-hole L19_1 (BMRCD309) include:
  - 48m @ 1.5 g/t Au starting at 35m, including 4.0m @ 2.5 g/t Au at 47m; 16.0m @ 3.7 g/t Au at 67 with 1.0m @ 16 g/t Au at 68 m; 5.0m @ 6.6g/t Au at 78m, including 1.0m @ 16.8 g/t Au at 79m&
  - 13.4m @ 3.4 g/t Au from 617.3m to 630.4m, including 8.0m @ 4.9 g/t Au from 621m, with 1.0m @ 6.3 g/t Au at 622m & 1.0m @ 6.1 g/t Au at 624m.
- Notable drill results in the reporting period for drill-hole L26_2 (BMRCD308) include:
  - 50.0m grading 1.8 g/t Au from 315m to 365m with highlights of:
    - 7.0m grading 3.9 g/t Au from 319m
    - 13.4m @ 3.4 g/t Au from 617.3m
    - 8.0m @ 4.9 g/t Au from 621m
    - 1.0m @ 6.3 g/t Au at 622m &
    - 1.0m @ 6.1 g/t Au at 624m.

- No mining or ore processing activities were conducted at South Pit and Plant during the quarter. Cumulative Total Ore mined from the Buckreef South Pit (ROMPad + Pad#1+Pad#2+Pad#3+Crusher pad) as of 29thFebruary 2020 remains at **119,725.59tonnes** averaging **1.86g/t Au** with total contained metal ounces of **7,161.24**.

- The disposition of the Ore stockpiled as of 29thFebruary 2020, remain as follows: **ROMPAD:72,315.66t @1.39g/t Au (3,237.96 Ozs);Pad#1:20,931.75t @2.29g/t Au (1,541.77 Ozs);Pad#2:12,943.78t @2.78g/t Au (1,155.55 Ozs); Pad#3:9,237.90t @3.85g/t Au (1,143.49 Ozs)**&**Crusher Pad: 4,245t @ 3.86 g/t Au (526.62 Ozs).**

- The list of Company's license holdings portfolio now comprises 34 active licenses (Tancan-3, Buckreef-14 & Tanzam2000-17) split into three main categories as Retain (21), JV (1) & Discard (12). 5 old Pls have been reinstated on our portal by the Ministry of Mines during the reporting period.

- The Itetemia ML and Kigosi ML applications were arbitrarily cancelled by the Mining Commission without any formal communications on the outcome of the Company's original applications submitted in November 2015 and due to a miscommunication on default letter sent to the wrong address respectively. The two court cases to resolve these issues are still being reviewed through our attorneys at the High Court of Tanzania.

- In order to maintain the existing site of mining and exploration licenses, the Company is required to pay annual license fees for both active licenses and any other licenses that have since forfeited with a debt. The Company has paid certain of its annual license fees for all active licenses except for some forfeited or lapsed licenses since October 2014.

- Based on the new regulations that have been enacted by the Mining Commission, some of the Company's forfeited licenses still carry an outstanding debt (incurred before and by the time of the forfeiture). The Company has cleared off all outstanding debts for licenses (current and forfeited) for Tanzam2000 as per the payment schedule agreed with the Ministry of Mines.

Overall Performance

As at February 29, 2020, the Company had current assets of $5,030,499, compared to $4,135,316 on August 31, 2019. The increase is mainly due to inflows from proceeds of convertible loans issued of $3,576,360 (2019 - $1,596,401), inflows from proceeds of gold loans issued of $nil (2019 - $223,815), as well as inflows from proceeds of private placements, net off issue costs, of $4,635,950 (2019 - $1,081,207) offset by outflows in regard to expenditures on exploration of $4,787,760 (2019 - $690,833) and cash used in operations of $2,259,721 (2019 - $2,168,005). Mineral properties and deferred exploration assets were $36,871,184 as at February 29, 2020, compared to $31,750,255 at August 31, 2019.

Net loss for the six month period ended February 29, 2020 was $3,613,004, compared to a net loss of $2,731,601 in the six month period ended February 28, 2019. Net loss increased in the current period, primarily due to increases in consulting expenses, salaries and benefits as well as shareholder information costs, whose variances are further discussed below.

Share Capital:

During the six month period ended February 29, 2020, the Company issued 722,355 (2019 – 1,019,963) common shares with a value of $263,357 (2019 - $568,545) in connection with interest payments related to the convertible loans and gold bullion loans outstanding. The Company also issued shares for cash during the six month period ended February 29, 2020 issuing 6,768,634 (2019 - 3,924,386) common shares for proceeds of $4,635,950 (2019 - $1,069,207). The Company issued 1,409,183 common shares (2019 – 6,704,335) with a value of $594,583 (2019 - $2,143,043) for settlement of convertible loans as well. In the current period, capital was utilized for the Buckreef Project development, property acquisition, exploration, capital equipment purchases and general operating expenses as tabulated below. The remaining funds/cash liquid assets, when available, are invested in interest bearing investments, which are highly liquid.

	C$ (000)
Funds available August 31, 2019	3,389
Net proceeds from convertible loans and gold bullion loans	3,576
Net proceeds from private placements, net of issue cost	4,636
Mineral property expenditures including licences, environmental and exploration, net of recoveries	(4,110)
General corporate expenses	(3,162)
Funds available February 29, 2020	**$4,329**

Based on the Company's current funding sources and taking into account the working capital position and capital requirements at February 29, 2020, these factors indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and is dependent on the Company raising additional debt or equity financing. The Company must obtain additional funding in order to continue development and construction of the Buckreef Project. The Company presently does not have adequate resources to maintain its core activities for the next fiscal year or sufficient working capital to fund all of its planned activities. The Company is continuing to pursue additional financing to fund the construction of the Buckreef Project and additional projects. However there is no assurance that such additional funding and/or project financing will be obtained or obtained on commercially favourable terms.
Additional funding may be derived from revenues generated in the future from anticipated completion and operation of its Buckreef mine currently under development. Management continues to explore alternative financing sources in the form of equity, debt or a combination thereof; however, the current economic uncertainty and financial market volatility make it difficult to predict success. Risk factors potentially influencing the Company's ability to raise equity or debt financing include: the outcome of the feasibility study at the Buckreef Project, mineral prices, the risk of operating in a foreign country, including, without limitation, risks relating to permitting, and the buoyancy of the credit and equity markets. For a more detailed list of risk factors, refer to the Company's Form 20-F Annual Report for the year ended August 31, 2019, which is filed on SEDAR as the Company's Annual Information Form.

Due to the current low interest rate environment and lack of funds, interest income is not expected to be a significant source of income or cash flow. Management intends to monitor spending and assess results on an ongoing basis and will make appropriate changes as required.

TRENDS

- There are significant uncertainties regarding the prices of precious and base metals and other minerals and the availability of equity and debt financing for the purposes of mineral exploration and development. The prices of precious and base metals have been subject to extreme volatility over recent periods, as such the Company remains cautious;

- The Company's future performance is largely tied to development of the Buckreef project and other main projects and outcome of future drilling results; and

- Current financial markets are likely to be volatile in Canada and the United States for the remainder of the fiscal year, reflecting ongoing concerns about the stability of the global economy. As well, concern about global growth may lead to future drops in the commodity markets. Uncertainty in the credit markets has also led to increased difficulties in borrowing or raising funds. Companies worldwide have been negatively affected by these trends. As a result, the Company may have difficulties raising equity and debt financing for the purposes of base and precious metals exploration and development.

These trends may limit the Company's ability to discover and develop an economically viable mineral deposit.

Selected Financial Information

	As at and for the six month period ended February 29, 2020	As at and for the year ended August 31, 2019	As at and for the year ended August 31, 2018
Total Revenues	$0	$0	$0
Net income (loss) for the period	$(3,613,004)	$(29,317,517)	$(6,897,397)
Basic income (loss) per share	$(0.03)	$(0.22)	$(0.06)
Diluted income (loss) per share	$(0.03)	$(0.22)	$(0.06)
Total assets	$44,246,788	$38,618,925	$53,235,140
Total long term financial liabilities	$744,635	$737,404	$726,143
Cash dividends declared per share	$0	$0	$0

Results of Operations

Net additions to mineral properties and deferred exploration costs for the six month period ended February 29, 2020 were $5,120,929 compared to $1,113,581 for the six month period ended February 28, 2019. Out of the net additions, $280,722 (2019 - $356,601 increase) represents an increase/decrease due to foreign exchange on functional currency in the current period. The increase excluding these amounts saw expenditures of $4,840,207 for the six month period ended February 29, 2020 compared to $756,980 during 2019. The expenditures increased compared with the prior year due to the ongoing drilling and exploration program initiated in the prior fiscal year to construct and initiate mining at Buckreef.

Net loss for the six month period ended February 29, 2020 was $3,613,004, compared to a net loss of $2,731,601 for the comparable six month period ended February 28, 2019. Net loss increased in the current period, primarily due to increases in consulting expenses, salaries and benefits as well as shareholder information costs, whose variances are further discussed below. For the three month periods ended February 29, 2020 and February 28, 2019, there was a net loss of $1,995,393 compared to a net loss of $1,338,517, respectively. Net loss increased between the two periods primarily due to the same reasons for the increase in the six month period.

Variances in expenditures are set out below:

For the six month period ended February 29, 2020, depreciation expense was $152,385, compared to $175,081 for the six month period ended February 28, 2019. Depreciation expense decrease slightly as the net book value amortization base decreased compared to the prior period.

Consulting fees for the six month period ended February 29, 2020 were $649,193, compared to $386,523 in the comparable six month period ended February 28, 2019. Consulting expenses were higher in the current year due to additional work and consulting work at Buckreef as well as corporate in connection with promotional and other activities. Consulting fees for the three months ended February 29, 2020 were $347,744 compared to $100,054 in the comparable period ended February 28, 2019. The reason for the increase for the three month period is the same as above.

Directors' fees for the six month period ended February 29, 2020 were $98,188, compared to $55,813 in the comparable six month period ended February 28, 2019. The amounts increased in the current period due to additional fees to a director. For the three month period ended February 29, 2020, director fees amounted to $62,282 (2019 - $27,907). The reason for the increase is the same as for the six month period.

Office and general expenses for the six month period ended February 29, 2020 were $124,811, compared to $91,090 in the comparable six month period ended February 28, 2019. Office and general costs increased between the comparable period due to the increased activity at site with the current drill program which increased supporting office and general expenditures. For the three month period ended February 29, 2020, office and general expenses were $61,934 compared to $50,628 in the comparable period ended February 28, 2019. The reason for the increase for the three month period is the same as above.

Shareholder information costs for the six month period ended February 29, 2020 increased to $357,799 from $172,175 for the comparable six month period ended February 28, 2019. The amounts increased during the current period due to an investor relations initiative including a shareholder promotion program and investor shows initiated in the current period. For the three month period ended February 29, 2020, shareholder information costs were $195,500 compared to $102,353 for the three month period ended February 28, 2019. The reason for the increase is the same as for the six month period.

Professional fees increased by $110,158 for the six month period ended February 29, 2020 to $593,602 from $483,444 for the six month period ended February 28, 2019. Professional fees were higher in the period mainly due to increased work surrounding the litigations as disclosed in the unaudited interim condensed consolidated financial statements for the three and six month periods ended February 29, 2020 and February 28, 2019. For the three month period ended February 29, 2020 professional fees went from $179,209 for the three month period ended February 28, 2019 to $377,822. The reason for the increase is the same as for the six month period.

Salaries and benefits expense increased to $576,323 for the six month period ended February 29, 2020 from $297,597 for the six month period ended February 28, 2019. Salaries and benefits increased in line with the overall increased activity due to the current drill and exploration program underway which resulted in addition in personnel in Tanzania and one employee at head office as well. The expenses for the corresponding three month period ending February 29, 2020 and February 28, 2019 were $377,508 and $162,102 respectively and increased for the same reason described above.

Share based payments for the six month period ended February 29, 2020 were $11,000, compared to $137,000 in the comparable six month period ended February 28, 2019. The decrease is due to vesting of options issued in prior years which resulted in compensation of $11,000 (2018 - $137,000), see note 5 of the unaudited interim condensed consolidated financial statements for the three and six month periods ended February 29, 2020 and February 28, 2019 for details of stock options issued.

For the six month period ended February 29, 2020, travel and accommodation expense were higher at $68,948 compared to $16,526 in 2019. Travel and accommodation expense increased due to increased travel to site given the current exploration program. For the three months ended February 29, 2020 and February 28, 2019, travel and accommodation went from $7,118 in 2019 to $52,422. Travel and accommodation expense for the three month period also increased due to increased travel to site given the current exploration program.

For the six month period ended February 29, 2020, the foreign exchange loss was $1,210 compared to an exchange gain of $112,801 for the same six month period ended February 28, 2019. Foreign exchange differences were minor as the exchange rate remained fairly consistent between the two periods.

The interest accretion expense for the six month period ended February 29, 2020 was $334,320, compared to $393,687 for the six month period ended February 28, 2019. Interest accretion increased remained relatively consistent between the two periods..

Summary of Quarterly Results (unaudited)

(Expressed in thousands of dollars, except per share amounts)

	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Total revenues	$0	$0	$0	$0	$0	$0	$0	$0
Net Income (Loss)	$(1,995)	$(1,618)	$(24,442)	$(2,144)	$(1,339)	$(1,392)	$(1,877)	$(1,698)
Basic and diluted income (loss) per share	$(0.02)	$(0.01)	$(0.18)	$(0.02)	$(0.01)	$(0.01)	$(0.02)	$(0.01)

Liquidity and Capital Resources – Going Concern Discussion

The Company manages liquidity risk by maintaining adequate cash balances in order to meet short term business requirements. Because the Company does not currently derive any production revenue from operations, its ability to conduct exploration and development work on its properties is largely based upon its ability to raise capital by equity funding and loans. Historically, the Company obtained funding via private placements and public offerings.

Based on the Company's current funding sources and taking into account the working capital position and capital requirements at February 29, 2020, these factors indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and is dependent on the Company raising additional debt or equity financing. The Company must obtain additional funding in order to continue development and construction of the Buckreef Project. The Company presently does not have adequate resources to maintain its core activities for the next fiscal year or sufficient working capital to fund all of its planned activities. The Company is continuing to pursue additional financing to fund the construction of the Buckreef Project and additional projects. However there is no assurance that such additional funding and/or project financing will be obtained or obtained on commercially favourable terms.

At February 29, 2020, the Company had a working capital deficiency of $11,800,190 (August 31, 2019 – $9,095,970 working capital deficiency), had not yet achieved profitable operations, has accumulated losses of $135,931,677 (August 31, 2019 – $132,462,683) and expects to incur further losses in the development of its business. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its future liabilities as they come due.

Some of the Company's mineral properties are being acquired over time by way of option payments. It is at the Company's option as to whether to continue with the acquisition of the mineral properties and to incur these option payments.

Commitments:

In order to maintain the existing site of mining and exploration licenses, the Company is required to pay annual license fees. The Company has not paid certain of its annual license fees since October 2014 with exception of Buckreef and Kigosi mining licenses. As at February 29, 2020 an accrual of $634,000 (August 31, 2019 - $680,000) has been recorded relating to unpaid license fees and resultant penalties. These licenses remain in good standing until a letter of demand is received from Ministry of Energy and Minerals requesting payment of any unpaid license fees plus 50% penalty, and the Company fails to respond within 30 days. The Company has not received a letter of demand. The potential penalty relating to unpaid license fees is approximately $260,000 (August 31, 2019 - $211,000). The Company has recorded an accrual for all valid and active mining licenses.

Contingencies:

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

On January 19, 2018, Crede CG III, LTD ("Crede") filed suit against the Company in the Supreme Court of the State of New York, County of New York, claiming, among other things, breach of contract for failure to allow Crede to exercise 1,300,000 Series A Warrants to acquire 3,100,751 common shares. The Series A Warrants were issued, along with Series B Warrants (the Series A Warrants and Series B Warrants, collectively "Warrants"), in connection with a Securities Purchase Agreement entered into on September 1, 2016. In response to the complaint, the Company's attorneys initiated correspondence with Crede's attorneys regarding Crede's January 19, 2018 complaint. On February 27, 2018, Crede dismissed its complaint against us without prejudice. On March 12, 2018, Crede filed suit against the Company in the Supreme Court of the State of New York, County of New York (Index No. 651156/2018) ("State Claim"), claiming breach of contract (including specific performance and injunctive relief); declaratory judgment that the Securities Purchase Agreement and Warrants are binding obligations; and, in the event injunctive and declaratory relief is not ordered, awarding compensatory and punitive damages, and attorney fees and costs for failure to allow Crede to exercise 500,000 Series B Warrants to acquire 1,332,222 common shares. On June 20, 2019, the Supreme Court of the State of New York, County of New York granted summary judgment to Crede on its December 3, 2018, motion for specific performance for the issuance of 1,332,222 common shares pursuant to the Series B Warrants and declaratory relief that the terms of the Securities Purchase Agreement and Warrants are valid. On August 21, 2019, the Company filed a notice of appeal and seeking a stay of the summary judgement order in the State Claim pending appeal. On October 17, 2019, the court in the State Claim order the delivery of 1,332,222 shares of common stock with an officer designated by the court and that a bond of $200,000 be posted. The Company appealed the Supreme Court of the State of New York's authority to require us to post a bond, and on December 3, 2019, the appeal court upheld our appeal and we were not required to post a $200,000 bond. On February 4, 2020, the Appellate Division, First Judicial Department, Supreme Court of the State of New York affirmed the Supreme Court of the State of New York, County of New York's granting of summary judgment to Crede CG III, LTD under the Securities Purchase Agreement entered into on September 1, 2016 between Crede and the Company and the Company was required to release the 1,332,222 common shares to Crede. On or around February 11, 2020, the Company filed an appeal of the Appellate Division's February 4, 2020 decision. No assurance can be given that the Appellate Division, First Judicial Department will accept the Company's appeal of the February 4, 2020 decision. Notwithstanding the Company's pending appeal, the Supreme Court of the State of New York, County of New York's summary judgement of June 20, 2019 remains in effect.

On May 10, 2018, we filed a complaint in the United States District Court Southern District of New York (Case No. 18–Civ-4201) ("Federal Claim") against Crede and certain of its principals, and others, alleging, among other things, violation of certain acts under the Securities Exchange Act. On March 26, 2019, the District Court dismissed certain of our claims against the defendants, but allowed certain claims under Securities Exchange Act for market manipulation and breach of the covenant of good faith and fair dealing by Crede to continue.

The Federal Claim is in its initial stage and limited discovery has been initiated. Unless the Supreme Court of the State of New York's order is overturned, the Company is required to issue additional common shares under the Securities Purchase Agreement. Under the terms of the Securities Purchase Agreement, the maximum number of common shares that may be issued in the transaction is limited to 21,704,630, of which 11,839,285 shares have been issued.

The issuance of additional common shares will have a dilutive effect to our shareholders and the payment of damages and legal expenses may adversely affect the Company's financial condition.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

(a) Tanzanian Gold Corporation entered into the following transactions with related parties:

Six months ended,	**Notes**	**February 29, 2020**	February 28, 2019
Legal services	**(i)**	**$Nil**	$Nil
Consulting	**(ii)**	**$121,061**	$111,024
Consulting	**(iii)**	**$nil**	$50,810
Consulting	**(iv)**	**$39,653**	$Nil

(i) The Company previously engaged a legal firm for professional services in which one of the Company's directors is a partner. During the six month period ended February 29, 2020, the legal expense charged by the firm was $nil (2018 - $nil). As at February 29, 2020, $335,940 remains payable (August 31, 2019 - $335,940).

(ii) During the six month period ended February 29, 2020, $121,061 (2018 - $111,024) was paid for consulting and website/data back-up services to companies controlled by individuals associated with the former CEO and current director.

(iii) During the six month period ended February 29, 2020, $nil (2018 - $50,810) was paid for drill mobilization, and advances on drilling services to Stamico, the Company's joint venture partner on the Buckreef Gold Project.

(iv) During the six month period ended February 29, 2020, $39,653 (2018 - $nil) was paid for consulting services to a company controlled by a director.

As at February 29, 2020, the Company has a receivable of $51,148 (August 31, 2019 - $45,368) from an organization associated with the Company's President and former CEO and current director and from current officers and directors. The Company also has a receivable of $33,480 (August 31, 2019 - $33,071) from Stamico.

As at February 29, 2020, the Company has outstanding leases due under finance lease obligations as described in note 4 of $84,129 (August 31, 2019 - $78,784) repayable within 1 year.

(b) Remuneration of Directors and key management personnel (being the Company's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer) of the Company was as follows:

Six months ended,	**February 29, 2020**		February 28, 2019	
	Fees, salaries and benefits (1)	**Share based payments (2), (3)**	Fees, salaries and benefits (1)	Share based payments (2), (3)
Management	**$ 322,839**	**$ nil**	$ 255,675	$ nil
Directors	**90,188**	**nil**	55,813	nil
Total	**$ 413,027**	**$ nil**	$ 311,488	$ nil

(1) Salaries and benefits include director fees. The board of directors do not have employment or service contracts with the Company. Directors are entitled to director fees and RSU's for their services and officers are entitled to cash remuneration and RSU's for their services.

(2) All stock option share based compensation is based on the accounting expense recorded in the year.

As at February 29, 2020, included in trade and other payables is $1,035,000 (August 31, 2019 - $927,000) due to these key management personnel with no specific terms of repayment.

Omnibus Equity Incentive Plan

Effective June 26, 2019, the Company adopted the Omnibus Equity Incentive Plan dated June 26, 2019 (the "**Omnibus Plan**"), which Omnibus Plan was approved by the shareholders at a meeting held on August 16, 2019.

The purposes of the Omnibus Plan are (a) to advance the interests of the Company by enhancing the ability of the Company and its subsidiaries to attract, motivate and retain employees, officers, directors, and consultants, which either of directors or officers may be consultants or employees, (b) to reward such persons for their sustained contributions and (c) to encourage such persons to take into account the long-term corporate performance of the Company.

The Omnibus Plan provides for the grant of options, restricted share units, deferred share units and performance share units (collectively, the "**Omnibus Plan Awards**"), all of which are described in detail in the Form 20-F Annual Report for the year ended August 31, 2019

The Omnibus Plan provides for the grant of other share-based awards to participants ("**Other Share-Based Awards**"), which awards would include the grant of common shares. All Other Share-Based Awards will be granted by an agreement evidencing the Other Share-Based Awards granted under the Omnibus Plan.

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of shares issuable pursuant to Omnibus Plan Awards outstanding at any time under the Plan shall not exceed 10% of the aggregate number of common shares outstanding from time to time on a non-diluted basis; provided that the acquisition of common shares by the Company for cancellation shall not constitute non-compliance with the Omnibus Plan for any Omnibus Plan Awards outstanding prior to such purchase of common shares for cancellation.

For more particulars about the Omnibus Plan we refer you to the Company's Management Information Circular dated June 26, 2019 or the copy of the Omnibus Plan included with the Form 20-F Annual Report.

The Omnibus Plan replaces all previous equity compensation plans of the Company, including the Restricted Stock Unit Plan and Stock Option Plan.

Critical Accounting Estimates

Assessment of Recoverability of Mineral Property Costs

The deferred cost of mineral properties and their related development costs are deferred until the properties are placed into production, sold or abandoned. These costs will be amortized over the estimated useful life of the properties following the commencement of production. Cost includes both the cash consideration as well as the fair market value of any securities issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from property options granted reduce the cost of the related property and any excess over cost is applied to income the Company's recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

Assessment of Recoverability of Deferred Income Tax Assets

The Company follows the balance sheet method of accounting for income taxes. Under this method, deferred tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured using substantively enacted tax rates. The effect on the deferred tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused credits and unused tax losses can be utilized. In preparing the consolidated financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the deferred income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered probable, the deferred tax asset is not recognized.

Estimate of Share Based Payments, Warrant Liability, Embedded Derivatives Associated Assumptions

The Company recorded share based payments based on an estimate of the fair value on the grant date of share based payments issued and reviews its foreign currency denominated warrants each period based on their fair value. The accounting required for the warrant liability and the derivative liability embedded in the gold bullion loan requires estimates of interest rate, life of the warrant, stock price volatility and the application of the Black-Scholes option pricing model. See note 5 of the February 29, 2020 unaudited interim condensed consolidated financial statements for full disclosure.

Critical accounting policies

Mineral Properties

All direct costs related to the acquisition and exploration and development of specific properties are capitalized as incurred. If a property is brought into production, these costs will be amortized against the income generated from the property. If a property is abandoned, sold or impaired, an appropriate charge will be made to the statement of comprehensive loss at the date of such impairment. Discretionary option payments arising on the acquisition of mining properties are only recognized when paid. Amounts received from other parties to earn an interest in the Company's mining properties are applied as a reduction of the mining property and deferred exploration and development costs until all capitalized costs are recovered at which time additional reimbursements are recorded in the statement of comprehensive loss, except for administrative reimbursements which are credited to operations.

Consequential revenue from the sale of metals, extracted during the Company's test mining activities, is recognized on the date the mineral concentrate level is agreed upon by the Company and customer, as this coincides with the transfer of title, the risk of ownership, the determination of the amount due under the terms of settlement contracts the Company has with its customer, and collection is reasonably assured. Revenues from properties earned prior to the commercial production stage are deducted from capitalized costs.

The amounts shown for mining claims and related deferred costs represent costs incurred to date, less amounts expensed or written off, reimbursements and revenue, and do not necessarily reflect present or future values of the particular properties. The recoverability of these costs is dependent upon discovery of economically recoverable reserves and future production or proceeds from the disposition thereof.

The Company reviews the carrying value of a mineral exploration property when events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value of the property exceeds its fair value, the property will be written down to fair value with the provision charged against operations in the year of impairment. An impairment is also recorded when management determines that it will discontinue exploration or development on a property or when exploration rights or permits expire.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Capitalized mineral property exploration costs are those directly attributable costs related to the search for, and evaluation of mineral resources that are incurred after the Company has obtained legal rights to explore a mineral property and before the technical feasibility and commercial viability of a mineral reserve are demonstrable. Any costs incurred prior to obtaining the legal right to explore a mineral property are expensed as incurred. Field overhead costs directly related to exploration are capitalized and allocated to mineral properties explored. All other overhead and administration costs are expensed as incurred.

Once an economically viable reserve has been determined for a property and a decision has been made to proceed with development has been approved, acquisition, exploration and development costs previously capitalized to the mineral property are first tested for impairment and then classified as property, plant and equipment under construction.

Impairment of Long-lived Assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

The Company's most critical accounting estimate relates to the impairment of mineral properties and deferred exploration costs. Management assesses impairment of its exploration prospects quarterly. If an impairment results, the capitalized costs associated with the related project or area of interest are charged to expense.

Asset Retirement Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Financial Instruments

Fair Value of Financial Instruments

Trade and Other Receivables and cash are classified as loans and receivables, which are measured at amortized cost. Trade and other payables, leases payable, convertible loans and gold bullion loans are classified as other financial liabilities, which are measured at amortized cost. Fair value of trade and other payables and convertible loans are determined from transaction values that are not based on observable market data.

The carrying value of the Company's cash, other receivables, trade and other payables approximate their fair value due to the relatively short term nature of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements.

The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

As at February 29, 2020 and August 31, 2019, cash and cash equivalents were recorded at fair value under level 1 within the fair value hierarchy.

The carrying value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, leases payable, convertible loans and gold bullion loans approximate fair value because of the limited terms of these instruments.

A summary of the Company's risk exposures as they relate to financial instruments are reflected below:

Credit Risk
Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank and accounts and other receivables and the carrying value of those accounts represent the Company's maximum exposure to credit risk. The Company's cash and cash equivalents and short-term bank investments are with Schedule 1 banks or equivalents. The accounts and other receivables consist of GST/HST and VAT receivable from the various government agencies and amounts due from related

parties. The Company has not recorded an impairment or allowance for credit risk as at February 29, 2020, or August 31, 2019.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's bank accounts earn interest income at variable rates. The bullion loan carries a fixed rate of interest. The Company's future interest income is exposed to changes in short-term rates. As at February 29, 2020, a 1% increase/decrease in interest rates would decrease/increase net loss for the period by approximately $43,000 (2018 - $8,000).

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2020, the Company had current assets of $5,030,499 (August 31, 2019 - $4,135,316) and current liabilities of $16,830,689 (August 31, 2019 - $13,231,286). All of the Company's trade payables and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital deficiency of the Company is $11,800,190 (August 31, 2019 - $9,095,970). The Company will require additional financing in order to conduct its planned work programs on mineral properties and the development and construction of the Buckreef Project, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

Foreign Currency Risk
The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has offices in Canada, USA, and Tanzania, but holds cash mainly in Canadian and United States currencies. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar and Tanzanian shillings could have an effect on the Company's results of operations, financial position, or cash flows. At February 29, 2020, the Company had no hedging agreements in place with respect to foreign exchange rates. As a majority of the transactions of the Company are denominated in US and Tanzanian Shilling currencies, a 10% movement in the foreign exchange rate will have an impact of approximate $1,129,000 on the statements of comprehensive loss.

COVID-19 Pandemic
Subsequent to the period, the COVID-19 pandemic has caused significant and negative impact to the global financial market. Our business and exploration activities could be disrupted by the recent outbreak of COVID-19. As a result of measures imposed by the Tanzanian government, travellers to Tanzanian may be subject to quarantine and travel to certain countries are restricted. Further certain schools have been suspended and public gatherings have been banned due to quarantines intended to contain this outbreak. The Company continues to monitor and assess the impact on its business activities. The potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results. There can be no assurance that our monitoring and assessment will enable us to avoid part or all of any impact from the spread of COVID-019 or its consequences, including suspension of our exploration activities,

Disclosure of Outstanding Share Data

As at the date of this MD&A, there were 160,354,635 common shares outstanding, 4,205,758 share purchase warrants outstanding, nil RSUs outstanding, and 7,352,000 stock options outstanding.

Outlook

The Company's Board of Directors has confirmed the strategic objective of the Company is to develop the Buckreef Project based on the conceptual production plan as published in the NI43-101 compliant Mining Feasibility Report (June 2018). The exploration plans including financial analysis projections on the Buckreef encompassing the Buckreef Main, South, Eastern Porphyry, Bingwa and Tembo open pit mines. Recommendations for further resource upgrade drilling as stated in the June 26, 2018 NI43-101 pre-feasibility report were implemented during this reporting period. In addition to the in-fill drilling the Corporation also implemented the start of metallurgical, rock stress and other tests with the intent of determining the best plan to bringing the Buckreef project into production.

The Company continues to monitor its other various mineral properties in the portfolio, notable among them being Itetemia, Luhala and Kigosi. However, the Company suffered a setback on its Itetemia's Golden Horseshoe Reef (GHR) that represented a modest, yet robust, medium grade, near surface gold deposit and is currently in the care and maintenance stage. In the Company's normal monthly review of the Government portal it became aware of changes made to the Itetemia Mining License Application. No official correspondence has been received; however, it appears that our application had been denied and 5 PML's were issued under another name based on the Government's portal. Management has engaged the Mining Commission as well as the Minister of Mines to determine what's taken place, and the course of action required to remedy the situation and is pursuing all necessary actions to do so. The Company also has the option of referring the situation should it not resolve in its favor to the Tanzanian anti-corruption bureau or possibly seeking remedy under the Tanzanian / Canadian economic treaty of 2013.

The Luhala property holds modest but low-cost gold extraction potential and is still classified as an advanced stage exploration project.

The Company also suffered a setback on its Kigosi project, a pre-production mining project whereby development has been delayed due to recently enacted laws on mining in areas designated as game reserves. During the reporting period, the Mining Commission assumed 100% control of the Kigosi ML96/2013 while the protracted negotiations for access to the restricted Kigosi game reserve area are ongoing. Management has engaged the Mining Commission as well as the Minister of Mines to determine what's taken place, and the course of action required to remedy the situation and is pursuing all necessary actions to do so. Despite the setback, the Company has paid all outstanding annual fees to the Ministry of Mines as a show of good faith while negotiations for access with the Ministry of Natural Resources and Tourism continue.

Based on the Management's adoption and implementation of the recommendations from the Executive Technical team to classify of all the Company's various Prospecting License (PL) holdings under three project categories identified as PLs to Retain, PLs for joint venture and PLs to Discard/Abandon, efforts to pay up all outstanding annual fees on the PLs in the PLs to Retain and/or JV category progressed well but mainly targeted the Special Mining License and Mining licenses.

The five critical target projects were identified as Buckreef project, Buziba project, Kigosi project, Itetemia project and Luhala project of which all projects, except for Buckreef, are in the care and maintenance stage. The Buziba project was traditionally included under Buckreef Project in previous annual reports but will now be treated as a standalone project. Brief descriptions of PL holdings and financial obligation status for each respective project area are summarized in the sections below. Actual fieldwork was mainly concentrated on the Buckreef Project during the reporting period.

Exploration Summary

The continuity of expenditures on mineral properties is as follows:

	Buckreef (a)	Kigosi (b)	Itetemia (c)	Luhala (d)	Total
Balance, September 1, 2018	**$ 28,137,335**	**$ 12,490,641**	**$ 5,948,261**	**$ 3,336,617**	**$ 49,912,854**
Exploration expenditures:					
Camp, field supplies and travel	186,634	-	-	-	186,634
License fees and exploration and field overhead	829,148	45,945	-	2,733	877,826
Geological consulting and field wages	71,166	-	-	-	71,166
Trenching and drilling	2,001,931	-	-	-	2,001,931
Foreign exchange translation	524,041	232,630	110,783	62,142	929,596
	3,612,920	278,575	110,783	64,875	4,067,153
	31,750,255	12,769,216	6,059,044	3,401,492	53,980,007
Write-offs	-	(12,769,216)	(6,059,044)	(3,401,492)	(22,229,752)
Balance, August 31, 2019	**$ 31,750,255**	**$ -**	**$ -**	**$ -**	**$ 31,750,255**
Exploration expenditures:					
Camp, field supplies and travel	308,089	-	-	-	308,089
License fees and exploration and field overhead	1,226,595	-	-	-	1,226,595
Geological consulting and field wages	651,044	-	-	-	651,044
Trenching and drilling	2,654,479	-	-	-	2,654,479
Foreign exchange translation	280,722	-	-	-	280,722
Balance, February 29, 2020	**$ 36,871,184**	**$ -**	**$ -**	**$ -**	**$ 36,871,184**

Buckreef Project

Mine Development and Operations

The Buckreef Project is in the Geita District of the Geita Region south of Lake Victoria, some 110km southwest of the city of Mwanza (see Figure, overleaf). The project area can be accessed by ferry across Smiths Sound, via tarred national road and thereafter via unpaved but well-maintained gravel roads. The Project comprises five prospects namely Buckreef, Bingwa, Tembo, Eastern Porphyry and Buziba. The Buckreef Project encompasses three ore zones namely Buckreef South, Buckreef Main and Buckreef North. The Buckreef Project is fully licensed for mining and extraction of gold.

Mining Buckreef South Pilot Pit

The following cumulative work on mining and process plant operations was completed up to 29thFebruary2020:

- No mining or ore processing activities conducted at the Buckreef project during the reporting period.
- Historical cumulative total ore mined from the Buckreef South pilot pit as of 31stNovember 2019 remains at 119,725.59t averaging 1.86g/t Au with total contained metal ounces of 7,161.24.
- The disposition of the Ore stockpiled as of 29thFebruary 2020, remains as follows: ROMPAD: 72,315.66t @1.39g/t Au (3,237.96 Ozs); Pad#1: 20,931.75t @2.29g/t Au (1,541.77 Ozs); Pad#2: 12,943.78t @2.78g/t Au (1,155.55 Ozs); Pad#3: 9,237.90t @ 3.85g/t Au (1,143.49 Ozs) &Crusher Pad: 4,245t @ 3.86 g/t Au (526.62 Ozs).

Summary

During the reporting period (up to 29th February 2020), a total 13,744.88m split as 10,640m (grade control RC) and 3,104.88m (diamond core). Most of the diamond core holes were initially pre-collared with RC as part of a cost saving and time saving measure. Detailed summaries of the work are as per each heading below.

Resource Drilling: Buckreef Main & North Prospects

- The Company continued processing Phase 1 & 2 Resource upgrade drilling results by updating the Buckreef database and fine tuning the geology/structure model as well as the mineralization model in preparation for the compilation of an Independent Mineral Resource Update Technical Report for the Buckreef project.

Grade Control Drilling: Buckreef Main (Oxide Ore Starter Pit)

- Completed Phases1 &2 grade control RC drilling covering the southern and central parts of the planned oxide ore starter pit on the Buckreef Main prospect.
- Atotal metreage of **10,640m**was drilled during the reporting period. Drill-holes were on 5m spacing along drill fences set 10m apart. Average drilling drilling was ~25-30m and holes drilled just to intersect bedrock.
- Modelling of the mineralized zones down to bedrock is in progress and will be used to refine oxide ore starter pit mining schedule.

Diamond Core (DD) Drilling: Metallurgical Test-work

- Commenced and completed three (3)Diamond Core (DD) drill-holes for sulphide ore metallurgical test-work. The drill-holes targeted the three main contiguous zones that make up the deposit.
- Atotal metreage of **584.70m**was drilled during the reporting period.
- The mineralized portions of the drill-core will be subsequently exported to SGS Lakefield in Canada for relevant metallurgical test-work.

Diamond Core (DD) Drilling: Deep Drilling (U/G Potential)

- Commenced with Phase 3Diamond Core (DD) deep drilling program targeting deeper levels of the mineralization for underground potential studies. These deep diamond core holes are first pre-collared with RC down to depths ranging from 150-200m.
- Atotal metreage of **2,520.18m**was drilled during the reporting period. The core drilling was targeting down-dip extensions of the Buckreef Main and Buckreef North sections of the deposit.

Drilling Assay Results

During the reporting period, assays results received from the drilling program for two of the three main sections that make up the Buckreef deposit returned encouraging results that included significant intercepts as follows:

Buckreef North
Assay results for drill-hole L26_2 (BMRCD308) were published during the reporting period and some of the highlights included:

- ***50m@1.8g/t****Au from 315m to 365m with highlights of:*
    - *7m@3.9g/t Au from 319m*
    - *13.4m@3.4g/t Au from 617.3m*
    - *8m@4.9g/tAu from 621m*
    - *1@6.3g/t Au at 622m &*
    - *1m@6.1g/t Au at 624m.*

The results confirm that the Northeast Extension is still open along strike. This last hole in Phase II extended the wide and robust mineralized shear zone in the Northeast Extension by 300m along strike.

Buckreef Main
Assay results for drill-hole L19_1 (BMRCD309) were published during the reporting period and some of the highlights included:

- *48m@1.5 g/t Au starting at 35m, including 4m@2.5 g/t Au at 47m,*
- *16m@3.7 g/t Au at 67 with 1m@16 g/t Au at 68m,*
- *5m@6.6g/t Au at 78m, including 1m@16.8 g/t Au at 79m,*
- *13.4m@3.4 g/t Au from 617.3m including*
    - *8m@4.9 g/t Au from 621m*
    - *1m@6.3 g/t Au at 622m &*
    - *1m@6.1 g/t Au at 624m.*

The results confirm that the down-dipextension of a wide and robust mineralized shear to at least 400m below the open pit bottom as defined in the June 2018 PFS report.

Mineral Resource and Mineral Reserve Estimates

The Buckreef Gold project mineral resources as at 29thFebruary2020using a cut-off grade of 0.5g/t is as summarized in the table below:

Buckreef Gold Project Mineral Resource Estimate as of 29th February 2020 (Source Virimai Projects, 2018)

Prospect	MEASURED			INDICATED			INFERRED			MEASURED + INDICATED		
	Tonnes	Grade	In Situ Content	Tonnes	Grade	In Situ Content	Tonnes	Grade	In Situ Content	Tonnes	Grade	In Situ Content
	(Mt)	Au (g/t)	Au (Oz)	(Mt)	Au (g/t)	Au (Oz)	(Mt)	Au (g/t)	Au (Oz)	(Mt)	Au (g/t)	Au (Oz)
Buckreef	8.90	1.72	491,368	13.09	1.41	594,097	7.52	1.33	322,819	21.99	1.54	1,085,465
Eastern Porphyry	0.09	1.20	3,366	1.02	1.17	38,339	1.24	1.39	55,380	1.10	1.18	41,705
Tembo	0.02	0.99	531	0.19	1.77	10,518	0.27	1.92	16,461	0.20	1.70	11,048
Bingwa	0.90	2.84	82,145	0.49	1.48	23,331	0.22	1.49	10,541	1.39	2.36	105,477
Total	**9.90**	**1.81**	**577,411**	**14.79**	**1.40**	**666,285**	**9.25**	**1.36**	**405,201**	**24.69**	**1.57**	**1,243,696**

The Buckreef Gold project pit-optimized mineral reserves as at 29thFebruary2020using a cut-off grade of 0.3g/t is as summarized in the table below:

Buckreef Gold Project Mineral Reserve Estimate as of 29thFebruary 2020 (Source Virimai Projects, 2018)

Pits Design Reserves Summary		COG: Oxide & Trans = 0.38, Fresh = 0.41 Virimai 22nd June 2018 Pit Design Reserves Summary			
Prospect Name	**Reserves Category**	**Tonnes (Mt)**	**Grade Au (g/t)**	**In Situ Gold Content Kg**	**oz**
Buckreef	Proven	8,174,415	1.64	13,374.06	429,985.66
	Probable	8,174,147	1.40	11,435.72	367,666.58
	Waste	**160,217,840**			
Total (Proven + Probable)		**16,348,562**	**1.52**	24,809.78	797,652.24
Eastern Porphyry	Proven	79,385	1.17	93	2,982
	Probable	976,281	1.03	1,003	32,242
	Waste	9,823,917	0.02		
Total (Proven + Probable)		**1,055,666**	**1.04**	1,096	35,224
Tembo	Proven	-	-	-	-
	Probable	70,183	2	165	5,312
	Waste	1,354,468	-		
Total (Proven + Probable)		**70,183**	**2.35**	**111**	**3,582**
Bingwa	Proven	1,098,383	2.39	2,366	76,074
	Probable	510,154	1.30	377	12,108
	Waste	10,311,734			
Total (Proven + Probable)		**1,608,536**	**2.04**	**2,743**	**88,182**
Grand Total	**Proven**	**9,352,183**	**1.72**	**16,092**	**517,358**
	Probable	**9,730,764**	**1.36**	**13,265**	**426,492**
	Proven +Probable	**19,082,947**	**1.54**	**16,749**	**943,851**

Buziba Project

During the reporting period, no fieldwork was conducted in the project area.

The Buziba Project comprises a single prospecting license (PL6545/2010) located some 25km east of the Buckreef project in the Geita district (see Figure, overleaf). The project area can be accessed from Buckreef via unpaved and poorly maintained gravel roads. The Project is a pre-development stage medium grade gold deposit and principal host lithologies include basalt, co-magmatic dolerite and a suite of intrusive quartz-albite felsic porphyries. Gold mineralization associated with shear-hosted vein quartz arrays in meta-basalts and as extensive stock works in the felsic porphyries. Geometry of the mineralization is highly irregular, forming a zone 200m thick and extending E-W for at least 2,500m.

Based on an NI43-101 compliant Preliminary Economic Report published in 2012 and subsequently in 2014, the global gold resources (Measured, Indicated & Inferred) estimated over approximately 2.5km strike length and to a depth of 230 metres below surface amounts to 29Mt@1.04g/t containing 984,144ozs of gold.

<u>Itetemia Project</u>

During the reporting period, no fieldwork was conducted in the project area.

The Itetemia gold deposit includes the mineral resources of the Golden Horseshoe Reef ("**GHR**"), and is an advanced stage exploration project focusing on the development of the GHR. A total of 9,833m of diamond core drilling (51 holes) and 8,339m of RC drilling (138 holes) was completed on the project. Modeling and processing of assay results from both the core drilling and RC drilling so far completed over the GHR and surrounding areas.

The process to convert the PL covering the Horseshoe Gold Prospect at Itetemia into a Mining License (ML) commenced on 4th November 2015. Despite numerous enquiries by the Company, no official feedback has been received from authorities in the Ministry of Mines or the Mining Commission on the status of this application during the reporting quarter. In the Company's normal monthly review of the Government portal it became aware of changes made to the Itetamia Mining License Application. No official correspondence has been received; however, it appears that our application has been denied and 5 PML's reverted back into another name based on Government's portal. Management has engaged the Mining Commission as well as the Minister of Mines to determine what's taken place, and the course of action required to remedy the situation and is pursuing all necessary actions to do so. The Company also has the option of referring the situation should it not resolve in our favor to the Tanzanian anti-corruption bureau or possibly seeking remedy under the Tanzanian / Canadian economic treaty of 2013.

<u>Kigosi Project</u>

During the reporting period, no fieldwork was conducted in the project area.

Kigosi Project area remains subject to a Game Reserve Declaration Order. Upon repeal or amendment of that order by the Tanzanian Government, the Kigosi Mining Company will be legally entitled to exercise its rights under the Mineral Rights and Mining License. A recent pronouncement by the Honorable President of Tanzania to local villagers in Ushirombo stated that his government had commenced procedures for de-gazetting part of the Kigosi-Moyowosi game reserve area to afford villagers extended land for agriculture and mining activities.

Mine development plans at Kigosi continue to be shelved since under the 2010 Mining Act, only exploration and mining of energy minerals, including uranium, gas and petroleum is permitted in any game reserve.

<u>Luhala Project</u>

During the reporting period, no fieldwork was conducted in the project area.

The Luhala Project is an advanced stage exploration project focusing on the development of the Luhala gold deposit which consists of five anomalous hilltops. The mineralization is stratabound shear-zone hosted gold mineralization (stratigraphic and structural control) within a distinct unit of felsic rocks with associated ferruginized mafic and felsic rocks.

The process of selecting a consultant to carry out feasibility study at the Luhala gold project has been completed and once funds are available the contract to engage the consultant to carry out the study will be signed to initiate the FS study reporting.

Exploration Updates &License Holding and Status: All PLs (Retain/JV/Discard/Forfeited)

Following the Company's decision to focus on mine development as its strategy of generating maximum revenue from its existing portfolio of properties and with the rising costs of maintaining prospecting and other licences in Tanzania, management continues to streamline its license portfolio in Tanzania.

Active PLs License Holding and Status: Retain/JV/Discard Portfolio

During the reporting period, the Company recorded no outstanding liabilities for its portfolio of currently active licenses categorised as **Retain** (black test), **Joint Venture** (blue text) and **Discard** (purple text) as illustrated in the table below.

However, the Company does have the anticipated statutory liabilities for the entire portfolio of active licenses as of 29th February 2020 covering a combined area of 240.90km^{2}are as shown in the table below:

TanGold Corporation Gold Projects PL Portfolio Status – License Status and Liabilities as of 29th February2020

CATEGORY	Project_ID	Company_ID	Vendor_ID	Book #	PL_ID	Application Date	Granted Date	Rent Paid To	Expiry Date	Area (km2)	Status	Application Fee	Preparation fee	Outstanding Annual/Penalty Fees	Annual Rent 2019/20	Total Cost
	Buckreef	Buckreef	Stamico	288	PL6427/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	2.1	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	289	PL6428/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	3.0	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	295	PL6429/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	20.0	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	291	PL6430/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	8.9	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	286	PL6549/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	2.7	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	294	PL6432/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	2.0	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	290	PL6431/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	2.7	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	293	PL6544/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	2.6	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	292	PL6546/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	17.4	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	285	PL6547/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	5.3	8yr-tenure Expired					$0.00
RETAIN	Buckreef	Buckreef	Stamico	287	PL6548/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	1.9	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	284	PL6545/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	5.3	8yr-tenure Expired					$0.00
	Buckreef	Buckreef	Stamico	381	PL9968/14	21-Oct-13	10-Jul-14	09-Jul-20	09-Jul-21	5.6	Active				$0.00	$0.00
	Buckreef	Buckreef	Stamico	296	SML04/92	12-Jun-00	12-Jun-00	11-Jun-20	11-Jun-27	16.0	Active				$0.00	$0.00
	Itetemia	Tanzam	Stamico	104	PL8638/2012	02-Nov-10	21-Dec-12	20-Dec-19	20-Dec-19	4.21	Pending Renewal	$0.00		$0.00	$842.00	$842.00
	Itetemia	Tancan	Stamico	322	PL8661/2012	18-May-09	24-Dec-12	23-Dec-19	23-Dec-19	4.62	Pending Renewal	$0.00		$0.00	$924.00	$924.00
	Itetemia	Tanzam	Stamico	341	PL8958/2013	14-Jun-10	08-Feb-13	07-Feb-20	07-Feb-20	2.27	Pending Renewal	$0.00		$0.00	$0.00	$0.00
	Kigosi	Tanzam	Abby Mining	20	PL10170/2014	15-Oct-13	29-Aug-14	28-Aug-18	28-Aug-18	14.90	Pending Renewal	$0.00			$5,587.50	$5,587.50
	Kigosi	Tanzam	Abby Mining	385	PL10171/2014	13-Dec-13	29-Aug-14	28-Aug-18	28-Aug-18	22.69	Pending Renewal	$0.00			$8,508.75	$8,508.75
	Kigosi	Tanzam	Abby Mining	216	PL10184/2014	15-Oct-13	29-Aug-14	28-Aug-18	28-Aug-18	19.50	Pending Renewal	$0.00			$7,312.50	$7,312.50
	Luhala	Tancan		340	PL8937/2013	14-Jun-10	08-Feb-13	07-Feb-20	07-Feb-20	3.45	Pending Renewal	$0.00		$0.00	$0.00	$0.00
JV	Lunguya	Tanzam		183	PL10145/2014	30-Dec-12	29-Aug-14	28-Aug-15	28-Aug-18	8.53	Pending Renewal	$0.00			$3,198.75	$3,198.75
	Biharamulo	Tanzam		7	PL8963/2013	24-Dec-09	08-Feb-13	07-Feb-17	07-Feb-17	22.15	Active-in default					$0.00
	Itetemia	Tanzam		375	PL9564/2014	29-Jun-09	27-Jan-14	26-Jan-18	26-Jan-18	1.47	Active					$0.00
	Kanegele	Tanzam		99	PL10186/2014	30-Mar-12	29-Aug-14	28-Jan-18	28-Aug-18	2.32	Active					$0.00
DISCARD	Kanegele	Tanzam		317	PL8664/2012	17-Sep-09	21-Dec-12	20-Dec-16	20-Dec-16	3.19	Active					$0.00
	Kibara	Tanzam		360	PL9231/2013	30-Oct-09	21-Jun-13	20-Jun-17	20-Jun-17	22.48	Active-in default					$0.00
	Kigosi	Tanzam	Bazos	157	PL10187/2014	13-Apr-12	29-Aug-14	29-Aug-18	28-Aug-18	4.89	Active	$0.00	$0.00		$0.00	$0.00
	Tulawaka	Tanzam		Missing?	PL10331/2014	06-Sep-10	20-Oct-14	19-Oct-18	19-Oct-18	8.85	Active - In Default					$0.00
											TOTAL	$0.00	$0.00	$0.00	$26,373.50	$26,373.50

- The Company, through its JV partner, Stamico, is still in the process of negotiating with the Mining Commission to issue new Licenses to preserve the PL holdings for the JV agreement.
- The Company still has not received any information back from the Government on its request to review the proposed land compensation for villagers affected by the expanded Buckreef Special Mining Lease area.

Historical PLs License Holding and Status: Forfeited Portfolio

The Company continued its efforts to pay off the bulk of the liabilities wholly arising from forfeited licenses as per the latest government updated debtors' list of 31stJanuary 2020.

During the reporting period, the Company cleared off the historical debt for all PLs that were registered under Tanzam2000.

Summary

As of 29th February 2020, and based on the continuing streamlining of the PL-holdings exercise, all outstanding, current and future financial liabilities and obligations arising from our total current land-holdings (including forfeited PLs all of which no longer appear on our portal) in unpaid rents including the penalties is summarized by company below.

TRX All Project PL Portfolio Status – License Status and Liabilities as of 29th February 2020

TANZANIAN GOLD CORPORATION LICENSE PORTFOLIO BUDGET: 29 FEBRUARY 2020							
	CATEGORIZED TOTALS		LIABILITY US$				
Company_ID	ACTIVE	FORFEITED	Annual (Debt)	Applic	Prep	Annual (19/20)	Comment
Buckreef	14		$0.00	$0.00	$0.00	$0.00	All paid up (12 forfeited PLs still on portal)
Chomoza		2	$3,789.00	$0.00	$0.00	$0.00	Historical Debt: Forfeited PLs MOM Files
Pamwe Tutafika		2	$8,842.50	$0.00	$0.00	$0.00	Historical Debt: Forfeited PLs MOM Files
Tancan	2	45	$238,688.25	$0.00	$0.00	$924.00	Confirmed Debt: Forfeited PLs MOM Files
Tanzam2000	13	42	$195,125.28	$0.00	$0.00	$25,449.50	Confirmed Debt: Forfeited PLs MOM Files
Wakawaka		1	$693.00	$0.00	$0.00	$0.00	Historical Debt: Records still being updated
TOTAL	**29**	**92**	**$447,138.03**	**$0.00**	**$0.00**	**$26,373.50**	
GRAND TOTAL	**121**		**$473,511.53**				

Risk Factors

The Company is subject to a number of extraneous risk factors over which it has no control. These factors are common to most exploration companies and include, among others: project ownership and exploration risk, depressed equity markets and related financing risk, commodity price risk, fluctuating exchange rates, environmental risk, insurance risk, sovereign risk. For further details on the risk factors affecting the Company, please see the Company's Form 20-F Annual Report for year ended August 31, 2019 filed on SEDAR as the Company's Annual Information Form and as filed with the SEC via Edgar.

Disclosure Controls and Procedures ("DC&P")

Requirements of NI 52-109 include conducting an evaluation of the effectiveness of DC&P. Management conducted an assessment of the effectiveness of the DC&P in place as of February 29, 2020 and concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in filings. Any system control over disclosure procedures, particularly for junior exploration companies, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all inaccuracies. These limitations include limited personnel available for such work, geographical logistics and human error among others. The Board of Directors assess the integrity of the public financial disclosures through the oversight of the Audit Committee.

Internal Control Over Financial Reporting ("ICFR")

Requirements of NI 52-109 include conducting an evaluation of the effectiveness of ICFR. Management conducted an assessment of the effectiveness of the ICFR in place as of February 29, 2020 and concluded that such procedures are adequate and effective to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with International Financial Reporting Standards. Any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's controls are based on the Committee of Sponsoring Organizations ("COSO") 2013 framework. The Company's CEO and the CFO have evaluated the design and effectiveness of the Company's DC&P as of February 29, 2020 and have concluded that these controls and procedures are not effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company in light of the material weakness in the Company's ICFR as further discussed. The CEO and CFO have also evaluated the design and effectiveness of the Company's ICFR as of February 29, 2020 and concluded that ICFR was not effective as at February 29, 2020 due to the following material weaknesses; (i) review and approval of certain invoices and the related oversight and accuracy of recording the associated charges in the Company's books; and (ii) lack of adequate oversight related to the development and performance of internal controls. Due to the limited number of personnel in the company, there are inherent limitations to segregation of duties amongst personnel to perform adequate oversight, including oversight regarding complex International Financial Reporting Standards that may cause misinterpretation and misapplication.

The Company intends to take steps to enhance and improve the design of its ICFR; however during the fiscal period ended February 29, 2020, the Company has not been able to remediate the material weaknesses identified above. Further, proposed changes to address the material weaknesses will take time to implement due to, among other things, a limited number of staff at the Company.

During the current period there have been no other changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Additional Information

The Company is a Canadian public company listed on the Toronto Stock Exchange trading under the symbol "TNX" and also listed on the NYSE MKT LLC trading under the symbol "TRX". Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website at www.tanzanianroyalty.com .

Approval

The Board of Directors of Tanzanian Gold Corporation has approved the disclosure contained in the interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it. It is also available on the SEDAR website at www.sedar.com

Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future prices of base and precious metals; success of exploration activities, cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or "variations of such words and phrases or statements that certain actions, events or results "may" , "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments at Buckreef or other mining or exploration projects, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms in light of the current decline in global liquidity and credit availability; uncertainty of inferred mineral resources; future prices of base and precious metals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in base and precious metal exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.